

**MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
9:30 A.M., Thursday, May 1, 2003
Arizona Department of Transportation
Board Room
206 South 17th Avenue
Phoenix, Arizona 85007**

The State Transportation Board met in official session for a study session at 10:00 a.m., Thursday, May 1, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Dick Hileman, Joe Lane, Jim Martin and Si Schorr. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; Bill Higgins, Acting State Engineer; John McGee, Chief Financial Officer, Administrative Services Division; and Dale Buskirk, Acting Director, Planning Division. There were approximately 40 people in the audience.

PLEDGE

Chairman Radicke led the audience in the Pledge of Allegiance.

Lake Havasu City Airport – USDOT's Air Service Pilot Program to Aid Small Community's Development of Air Service

Mr. Hileman asked how the Board is able to determine which costs are to be reimbursed. Mr. Adams stated the agreement between Lake Havasu City and the air group is a revenue guarantee program. He explained they basically set a cost per segment, which totals cost plus five percent, and the city has to put on enough revenue passengers to achieve that amount or make up any deficit out of the revenue guarantee. He noted the economy in Lake Havasu City is tied very strongly to the southern California market, with a majority of tourists coming from that area.

Mr. Schorr asked Mr. Adams to explain the purpose of the transaction. Mr. Adams explained the federal government, through AIR 21, passed and set funds aside for a Small Community Air Service Development Pilot Program. He said Lake Havasu City was selected for a grant for enhanced service. He explained the city established an Air Service Steering Committee, which began negotiating with two air carriers to determine the best way to serve the community. He noted they relied heavily on the 1998/1999 Air Service Study conducted by ADOT. He stated their first goal is to improve the economy through enhanced air service, which they expect to achieve through lower fares, more frequent service and improved timing of flights. He said they identified three locations as viable destinations, Southern California, Phoenix, and Las Vegas. He said, ultimately, Phoenix and Ontario/Santa Anna were selected as the primary destinations and became the focus of their marketing efforts.

Mr. Martin asked what is the anticipated load they expect to achieve on a monthly basis. Mr. Adams stated they are looking at a 65 to 70 percent load factor, equating to 450 to 600

passengers in each direction. He clarified the subsidy for the Phoenix and Ontario segments total \$865 and \$1,035, respectively. He explained their intent is to increase the load factor to a point where the subsidy is no longer necessary after six or seven months. He stated the local community is putting in matching funds of \$75,000 for advertising and \$25,000 to \$100,000 could be allocated in the upcoming budget year for use on the passenger side.

Mr. Hileman pointed out a number of people live in Lake Havasu City and commute back and forth to work on a weekly basis. He said that results in a significant income stream, not only to the city, but to the state as well.

Chairperson Radicke asked if the application is subject to a specific deadline. Mr. Adams stated the grant will be received in late September, therefore, a reimbursement request has to be submitted by the end of August.

Mr. Adams confirmed for Mr. Jeffers that the community will first spend the funds and then request reimbursement.

Mr. Adams noted the federal government approved an additional \$20 million for next year, however, they are considering tighter restrictions. He said, while they are not sure of their chances, they intend to submit another application.

In response to Mr. Martin's question, Mr. Adams explained the grant funds will be used for the revenue guarantee and will not be utilized if the program takes off and does not require any subsidy. He said, until they are better able to judge how well the program will work, they cannot project the amount they will have to subsidize.

Mr. Adams noted several communities throughout the state are interested in submitting proposals for the second round. Mr. Mendez pointed out other communities applied for the last round, however, Lake Havasu City was the only one approved.

Mr. Schorr expressed his opinion the fact that some of the load will be going to California is not an important issue. Chairperson Radicke agreed, stating southern California money comes to Arizona and, in the long run, both states win.

Mr. Martin asked how they will ensure the \$200,000 in state matching funds are being used for economic development, not to perpetuate the airlines. Mr. Adams assured Mr. Martin that issue has been discussed. Mr. Mendez noted they are requesting additional information from the airports. Chairperson Radicke asked to have additional information presented at the next Board meeting.

Mr. Schorr asked if the information submitted to the Federal Government when an application is submitted is also available to the Board. Mr. Adams responded yes.

SR 64 Grand Canyon Railway Presentation

David Chambers, Grand Canyon Railway, reviewed park visitation and how SR 64 impacts visitation. He said the number of visitors to the park has increased from 1.8 million visitors in 1967 to over 4.3 million in 2002. He said, by 2010, the number of visitors is expected to reach 6 million, however, that number will not be achieved unless something is done to address access to the park. He explained the goal of the proposed transit system is to improve access to points of visitor interest and to protect the natural environment within the South Rim area. He said the Grand Canyon Railway's objective is to solve the state's need to increase tourism and revenue, while maintaining the park's resources for future generations by removing automobiles from the South Rim. He discussed challenges to accomplishing the objectives, stating the \$150 million needed to widen S.R. 64 is not available nor is the \$200 million needed for the National Park Service in-park transit system. He stated the environmental impacts of widening SR 64 on both development and wildlife migration will be opposed by the Grand Canyon Trust and other environmental groups as well as the Forest Service. He said, furthermore, the environmental impact to Grand Canyon National Park, including housing, maintenance and right-of-way, may be as high as 100 acres.

Mr. Jeffers asked if the Forest Service currently opposes the widening. Mr. Chambers said the Forest Service Supervisor indicated they are greatly concerned about wildlife migration across Highway 64.

Mr. Chambers provided the Board with a brief history of steps taken to address visitation to the park, explaining the Development Concept Plan for Grand Canyon Village, developed in 1977, established a long-range objective to eliminate cars from the park. He said visitation to the Grand Canyon increased to a new high of 4 million visitors in 1989. He stated Grand Canyon Railroad's first proposal was for a spur line from their Apex station to a several-thousand car staging area located adjacent to the Grand Canyon Airport in Tusayan. He said, to that end, a notice to prepare an EIS to study the proposal was published in the Federal Register in June 1989. He reported a four-year study by the National Park Service, known as the General Management Plan, began in 1991 and the Record Of Decision for the EIS was published in 1993. He said, by this time, visitation to the Grand Canyon had reached 5 million. He explained the most pressing issue identified by the General Management Plan was the impact created by the annual crush of nearly 5 million visitors and their private cars on the few developed areas at the South Rim. He stated the General Management Plan was approved and adopted in 1995 and the National Park Service released a Solicitation of Interest. He stated the National Park Service hosted a transportation event in February 1997, released a Request for Qualification in August 1999 and released a draft Request for Proposal in June 2000. He said ADOT began an Access Management Study in February 2001 and its Design Concept Study in 2002. Mr. Chambers said Grand Canyon Railroad proposed running regularly scheduled service from Williams and offered to provide 65 miles of right-of-way infrastructure. He said, after the Park Service refused their offer, they took it to Congress in January 2000. He stated on January 29, 2003 a letter written by John McCain and signed by the entire delegation requested the Park Superintendent evaluate the Grand Canyon Railroad proposal.

Mr. Chambers explained their express rail proposal has evolved into a regional plan, encompassing regularly scheduled bus service from Phoenix to Flagstaff, the Amtrak stop at Williams Junction, regularly scheduled bus service from Flagstaff to Williams, and Air Vegas service to Williams airport as well as potential rail service from Phoenix and a possible spur to Grand Canyon Airport. He explained their proposal calls for high speed rail, reaching top speeds of approximately 100 miles per hour, which they anticipate will remove 50 to 75 percent of traffic from SR 64.

Mr. Chambers reviewed accident statistics on Highways 180 and 64 from 1973 to 2000, stating there have been a total of 4,377 accidents, resulting in 2,857 injuries and 146 fatalities. He concluded his presentation, stating, depending on the options chosen, regional rail will be less costly than light rail. He said their proposal addresses the problem of auto congestion and safety on SR 64 in addition to congestion within the park, removing a minimum of 50 percent of cars on SR 64 and 100 percent of the cars entering the south entrance. He said development will not only be kept out of the park, but 65 miles away from the South Rim area, protecting the environment within the park and along SR 64. He said their proposal also provides a multimodal network of transportation alternatives and can operate seasonally as needed.

In response to a member's question, Mr. Chambers explained they would like the Board to support their proposal and direct ADOT to give it their consideration.

Mr. Chambers reported the Park Service still considers SR 64 to be a secondary issue, explaining their primary concern continues to be what occurs within the park boundaries. He said the separation between the Federal and State governments appears to be ridiculous at times and, in their opinion, the state needs to be more assertive. He said it would also help if ADOT would assist them in reviewing some of the federal funding programs that could be utilized.

Mr. Mendez said, while ADOT has a lot of expertise and can help explain the various funding programs, it will not necessarily be able to help Grand Canyon Railroad in their quest to obtain funding.

Chairperson Radicke asked Mr. Chambers when they foresee the project becoming a reality. Mr. Chambers said, given the amount of time it has taken to get to this point and the 14 months the Park's TAG Committee stated it will take before issuing a report to Congress, the earlier the state becomes involved in the process, the better. He said, however, the information requested and criteria outlined by the TAG committee will be submitted within the next two to three months.

Mr. Jeffers commented that Grand Canyon Railroad has been a good neighbor to rural Arizona, expressing his opinion their offer of the right-of-way is very generous. He encouraged the Department to do what it can to effectively advance the concept through the National Park Service and State and Federal Governments.

Mr. Schorr asked Mr. Chambers if it is their suggestion that the state take over and become the owner of the 65 miles of right-of-way. Mr. Chambers explained they are asking that the Board go to the Park Service and explain the problems inside the park are similar to those experienced outside the park and encourage them to work cooperatively to find a solution. He clarified they

would retain the right-of-way and operate the trains for profit. He pointed out the trains would be modern, high speed trains, not the historic, vintage trains currently being utilized. He stated the railroad museum would also be a key part of the project. Mr. Chambers stated, for their proposal to be successful, the State of Arizona will need to help convince the Park Service of its merit and the Park Service will need to encourage visitors to ride the trains.

Chairperson Radicke expressed his opinion the proposal appears to create a win-win situation.

The meeting recessed for a short break.

Revision of the Statewide Transportation Policy Statement

Mr. Buskirk said, in compliance with state statute, the Board approved the performance goals and factors for Move AZ in December 2002. He stated one of those goals was environmental sensitivity and one of the performance factors was context sensitive design. He said, based on a recently published report entitled “A Guide to Best Practices for Achieving Context Sensitive Designs” prepared by the National Cooperative Highway Research Program, they have come to the conclusion that context sensitive issues are best addressed during the design phase of the project development process and are inappropriate as a performance factor in the programming process. He said, therefore, they are asking that context sensitive design be removed as an approved performance factor for Move AZ.

In response to Mr. Jeffers comments, Mr. Buskirk clarified the department is committed to context sensitive designs, however, they believe it is inappropriate as a performance factor for the programming of projects.

Draft Uniform Transportation Planning Practices

Mr. Buskirk explained HB 2660 required that the Board approve a statewide multimodal transportation planning process no later than July 1, 2003. He said, therefore, the process being proposed will be presented for final approval at the Board’s June 20, 2003 meeting. He stated, as Move AZ is further developed, the process, measures and factors might need to be modified, however, the proposed document represents their best estimate in regard to the appropriate process, measures and factors. He stated ARS 28-304.A.3 requires that ADOT adopt uniform transportation planning practices and performance based planning processes for use by the Department. He stated the statutes further require that the practices be used in the conduct of all studies or analyses relating to any transportation system improvement to be included in the plan developed pursuant to Section 28-506.

Mr. Buskirk said the statute also requires that ADOT adopt transportation system performance measures and data collection standards for use by the department. He noted national law, as well as the statute require the multimodal long range plan take into account the modal studies conducted by regional, local and tribal entities through consultation, coordination and cooperation. He explained demographic data used as part of Move AZ comes from the US census or the DES population estimates and projections, while traffic data comes from the state’s Highway Performance Monitoring System (HPMS). He stated infrastructure conditions data

comes from a variety of sources, including HPMS, Access Management Studies, databases, the state's roadway video log and highway system log, field inventory, past studies, transit facilities data, airport master plans, intermodal facility terminal data and so forth. He said other data being collected include air, truck and rail freight volume, accidents, and GIS.

Mr. Buskirk said, in terms of the establishment of planning standards, they are going to require that long range transportation plans have a minimum planning horizon of 20 years. He pointed out it can be difficult to formulate accurate population projections, stating, therefore, they will only use the official population projections developed by the Department of Economic Security under the auspices of the Population Technical Advisory Committee. He said the plan will look at all major modes of transportation and HTMS will be the official source of traffic and roadway data. He noted ADOT is in the process of developing an asset management database. He stated Title VI Population Segments will be taken into consideration as part of the planning process. He explained highway project identification will be done according to the milepost system and public involvement will be a central component of the process.

Mr. Buskirk clarified they are talking about how the plan is developed, not the content of the plan. He said, however, the legislature is very clear in that the plan and program must be performance based. With regard to rail planning, Mr. Buskirk stated there are some peculiarities that will require additional standards. He said there are also additional standards for statewide transit planning.

Mr. Buskirk stated they have completed the first phase of stakeholder involvement and are now in the second phase, with nine public meetings occurring throughout the state this month. He said the third phase of public involvement will occur after a draft plan has been developed.

Mr. Jeffers pointed out no meetings are scheduled in the eastern third of the state. Mr. Buskirk stated there are fewer meetings during the second phase, therefore, not all areas of the state will be covered. He noted, however, 20 meetings will be held during the third phase.

William "Blue" Crowley noted he was not aware that the first phase of public involvement had occurred. He asked where rural road maintenance is included and if they are adhering to the TEA21 standards, pointing out pedestrians and bicyclists should be given first consideration.

Mr. Buskirk stated they will present the statewide multimodal transportation planning process for approval at the June meeting.

Adjournment

No closing comments were made.

Board Action: A motion to adjourn was made, seconded and passed unanimously.

The meeting adjourned at 12:00 p.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, ADOT Director
Arizona Department of Transportation